

BETASHARES AUSTRALIAN HYBRIDS ACTIVE ETF

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SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

DATED: 27 FEBRUARY 2026
ISSUER: BETASHARES CAPITAL LTD
ABN: 78 139 566 868
AFS LICENCE: 341181

This Supplementary Product Disclosure Statement ("SPDS") is supplemental to the Product Disclosure Statement dated 26 February 2025 in respect of Betashares Australian Hybrids Active ETF (the "PDS").

The PDS and this SPDS should be read together.

A copy of this SPDS has been lodged with the Australian Securities and Investments Commission ("ASIC") on 27 February 2026. Neither ASIC nor ASX Limited takes any responsibility for the contents of this SPDS.

Terms defined in the PDS have the same meanings when used in this SPDS.

Changes to Fund features

The Fund currently invests in an actively managed portfolio of hybrid securities, corporate bonds and cash, and may allocate tactically between these investment types.

APRA is gradually phasing out the use of hybrids issued by Australian banks under a new prudential framework, commencing on 1 January 2027. Existing bank hybrids are expected to be redeemed at their respective first call dates over the period until 2032. This change does not apply to hybrids issued by insurance companies and other non-bank issuers.

This regulatory change affects the Fund's investable universe by significantly reducing the size of the hybrids market and the relevance of the Fund's existing performance benchmark. As a result, Betashares Capital Limited, in consultation with Coolabah Capital Institutional Investments Pty Limited (the appointed investment manager for the Fund), has determined to amend certain features of the Fund for an environment without Australian bank hybrids.

The changes to the Fund will not materially alter its general nature or risk profile. The Fund will remain an actively managed Australian diversified credit income exposure with monthly income distributions, hedged for currency and interest rate risk.

The key changes relate to the Fund's name, investment objective, eligible investments, fees and market making arrangements, as summarised below.

The changes will take effect **following the close of ASX trading on 31 March 2026**.

The key changes are summarised below:

	Current	Effective following the close of ASX trading on 31 March 2026
Name	Betashares Australian Hybrids Active ETF	Betashares Australian Credit Income Active ETF
Investment objective	<p>The Fund aims to provide investors with a convenient way to earn monthly income from an actively managed, diversified portfolio of credit securities.</p> <p>The Fund's performance benchmark is the Solactive Australian Hybrid Securities Index.</p>	<p>The Fund aims to provide investors with a convenient way to earn monthly income from an actively managed, diversified portfolio of credit securities.</p> <p>The Fund seeks to deliver net returns after fees and expenses that exceed the RBA cash rate by at least 2% p.a. over a rolling three-year period.</p>
Eligible investments	<ul style="list-style-type: none">Cash and cash equivalentsSenior bonds	<ul style="list-style-type: none">Cash and cash equivalentsSenior bonds

	<ul style="list-style-type: none"> Subordinated bonds Hybrid securities Derivatives for the purposes of hedging interest rate and foreign exchange risks 	<ul style="list-style-type: none"> Subordinated bonds Hybrid securities Securitised credit, being AUD investment grade asset-backed and residential mortgage-backed securities Derivatives for the purposes of hedging interest rate, credit and foreign exchange risks
Management fees and costs*	0.55% p.a. of net asset value (comprising a management fee of 0.45% p.a. and expenses normally incurred of 0.10% p.a.)	0.55% p.a. of net asset value (no change) (comprising a management fee of 0.55% p.a.- any expenses normally incurred in operating the Fund will be paid by the responsible entity out of its own resources)
Performance fee	15.5% of the Fund's performance above the performance benchmark.	The performance fee is removed.
Market making arrangements	Market making is conducted internally by the Fund's responsible entity via an appointed market making agent. Any profits or losses from market making activities are borne by the Fund.	Market making is conducted externally by market makers acting for their own account. Any profits or losses from market making activities are borne by the relevant market maker.
Role of Authorised Participants	Not applicable.	Applicable, as the Fund will use an external market making model. Authorised Participants, being certain financial institutions who have entered into an agreement with the responsible entity, will be able to apply for, and redeem, units, directly with the Fund to support market making activities.
Application and redemption fees payable by Authorised Participants	Not applicable.	Application and redemption fees apply, only for Authorised Participants.
Portfolio disclosure arrangements	Full portfolio holdings are published quarterly within two months of quarter end. iNAV (indicative net asset value) is published during the trading day.	A material portfolio information (MPI) disclosure model is adopted, as follows: An MPI basket (proxy portfolio) is published at the start of each trading day to support market making. Tracking performance between the disclosed MPI basket and the actual portfolio is published quarterly. Full portfolio holdings are published quarterly within two months of quarter end. iNAV (indicative net asset value) is published during the trading day.

*Excludes transaction costs associated with buying and selling Fund assets.

The following specific changes are made to the PDS, effective following the close of ASX trading on 31 March 2026.

Revision to the Fund name

All references in the PDS to Betashares Australian Hybrids Active ETF are replaced with references to Betashares Australian Credit Income Active ETF.

"Important Information" section on page 1

The following paragraphs are added as the first paragraphs in the section "The offer":

The offer under this PDS is for certain financial institutions, called "Authorised Participants". Certain sections of the PDS (particularly those relating to applications for and redemptions of Units in the normal course) are of direct relevance to Authorised Participants only.

Other investors cannot apply for Units under this PDS, but can buy Units on the ASX through a stockbroker, or via a financial adviser. Such investors may use this PDS for information purposes only.

Section 1 "Key Features"

The information under the heading "1.1 About the Fund" is deleted and replaced with:

The Betashares Australian Credit Income Active ETF (the Fund) is an actively managed investment fund whose units trade on the ASX, much like listed shares.

The investment objective of the Fund is to provide investors with a convenient way to access attractive income returns from an actively managed, diversified portfolio of Australian credit securities overseen by a professional investment manager.

The Fund has the ability to allocate across the fixed income risk spectrum and is expected to provide exposure to a portfolio of cash investments, bonds (senior and subordinated), hybrid securities and securitised credit.

The Fund is intended for use as a core or smaller allocation within a portfolio for an investor who is seeking income and capital preservation and has a medium risk and return profile for that portion of their investment portfolio. A minimum investment timeframe of 3 years or more is suggested.

The Fund carries certain investment risks. For information on the risks applicable to the Fund, see section 4.

Section 1.2 "Summary of Key Information"

Table 1.2: Summary of Key Information is deleted and replaced with:

TABLE 1.2: SUMMARY OF KEY INFORMATION

TOPIC	SUMMARY	SECTION
Investment objective	<p>The Fund aims to provide investors with a convenient way to earn income from an actively managed, diversified portfolio of Australian credit securities.</p> <p>The Fund seeks to deliver net returns after fees and expenses that exceed the RBA cash rate by at least 2% p.a. over a rolling three-year period.</p> <p>The Fund aims to achieve these objectives by adopting the investment strategy set out in section 2.1.2.</p> <p>There is no assurance or guarantee that the Fund will meet its investment objectives.</p>	2.1.1, 2.1.2
Investing	<p>The offer in this PDS is only available to Authorised Participants.</p> <p>Units can only be acquired in whole multiples of a "Creation Unit" unless the Responsible Entity agrees otherwise. The number of Units in a Creation Unit for the Fund is determined by the Responsible Entity and notified to Authorised Participants.</p> <p>Application amounts are payable in cash in Australian dollars, unless the Responsible Entity agrees otherwise. Applications are subject to an application fee, described in section 3.</p> <p>Subject to market conditions, investors may purchase Units by trading on the ASX. The purchase of Units on the ASX is not governed by the terms of this PDS and therefore the minimum investment does not apply to purchases of Units on the ASX.</p>	5
Redemptions	<p>A Unitholder can generally only redeem Units if it is an Authorised Participant.</p> <p>Units can only be redeemed in whole multiples of a Creation Unit unless the Responsible Entity agrees otherwise. The number of Units that constitute a Creation Unit for the Fund is determined by the Responsible Entity and notified to Authorised Participants.</p> <p>The amount payable to a Unitholder on redemption will be paid in cash in Australian dollars, unless the Responsible Entity agrees otherwise. Redemptions are subject to a withdrawal fee described in section 3.</p> <p>In certain specified circumstances, redemption requests may be delayed, rejected or scaled down. See section 6.2.7 and 6.2.8 for further information.</p> <p>Subject to market conditions, investors may sell their Units by trading on the ASX. The sale of Units on the ASX is not governed by the terms of this PDS and therefore the minimum redemption does not apply to sales of Units on the ASX.</p> <p>A Unitholder who is not an Authorised Participant can only redeem Units in the special circumstances described in section 5.4.</p>	5
Distributions	<p>The Responsible Entity intends to make distributions monthly.</p>	2.2
Risks	<p>There are a number of risks associated with investing in the Fund. The key risks include the following:</p> <ul style="list-style-type: none"> • There is no guarantee that the Fund's investment strategy will be successful or that the investment objectives will be achieved. 	4

TOPIC	SUMMARY	SECTION
	<ul style="list-style-type: none"> Market risk - The Fund's investment returns will be influenced by the performance of the fixed income market as a whole. Changes in bond prices may result in a loss in value of the Fund's Units. Interest rate risk - Changes in interest rates can have a negative impact on the prices of the Fund's securities as well as on their income returns. While the Fund's securities are either floating rate or interest rate hedged, the strategy may not remove all interest rate risk. Credit risk - The Fund is exposed to the creditworthiness of the issuers of the debt securities held by the Fund. Subordinated ranking risk - Subordinated bonds carry greater risk than senior bonds issued by the same entity due to their lower ranking in the capital structure. Hybrid security risk – Hybrids have complex and unique terms of issue that can significantly affect the future value of the securities. Further, APRA has announced that it will gradually phase out the use of hybrids by Australian banks under a new prudential framework commencing on 1 January 2027. Bank hybrids may experience reduced liquidity due to this regulatory change. Securities liquidity risk - Securities held in the Fund may face liquidity issues. There is therefore the risk that a security held by the Fund may be difficult or impossible to sell, preventing the Fund from exiting its position in a timely manner and at a fair price. Fund liquidity risk - Although the Units are quoted on the ASX under the AQUA Rules, there can be no assurance that there will be a liquid market for Units. Fund trading risk - In certain circumstances, the ASX may suspend trading of the Units and in that event, Unitholders would not be able to buy or sell Units on the ASX. Trading price risk - The trading price of Units on the ASX may differ from the Net Asset Value per Unit and the iNAV. iNAV risk - The iNAV published by the Fund is indicative only, may not be up to date and may not reflect the true value of a Unit <p>This is not a comprehensive summary of all the risks of investing in the Fund. Before investing, investors should carefully consider the risks associated with an investment in the Fund and obtain financial advice on whether an investment in the Fund is suitable for their objectives, financial situation and needs.</p> <p>For further details on the risks of investing, see section 4.</p>	
Fees and other costs	Fees and other costs as described in section 3 of this PDS will apply.	3
Tax	Tax information of a general nature is set out in section 7. Investors should seek their own professional tax advice which takes into account their particular circumstances.	7
Complaints	The Responsible Entity has a process in place to deal with complaints from Unitholders.	6.2.21
Responsible Entity	Betashares Capital Ltd is the responsible entity of the Fund and is the issuer of this PDS.	1.3

Section 2 "About the Fund"

Section 2.1, the section 2.2 heading and sections 2.2.1 and 2.2.2 are deleted and replaced with:

2.1 INVESTMENT POLICY

2.1.1 Investment objective

The Fund aims to provide investors with a convenient way to earn monthly income from an actively managed, diversified portfolio of Australian credit securities.

The Fund's investment manager is Coolabah Capital Institutional Investments Pty Ltd ("Investment Manager"). See section 2.1.4 for further information.

The Fund has the ability to allocate across the fixed income risk spectrum and is expected to provide exposure to a portfolio of cash investments, bonds (senior and subordinated), hybrid securities and securitised credit.

The Fund seeks to deliver net returns after fees and expenses that exceed the RBA cash rate by at least 2% p.a. over a rolling 3-year period.

The Fund aims to achieve these objectives by adopting the investment strategy set out in section 2.1.2.

There is no assurance or guarantee that the Fund will meet its investment objectives.

2.1.2 Investment strategy

The Fund invests in an actively managed portfolio of diversified credit securities and is expected to allocate tactically between these investment types.

As part of the investment strategy, the Investment Manager applies top-down and bottom-up fundamental valuation analysis to both issuers of the securities and the credit quality and structural features of the securities themselves to build an actively managed and diversified portfolio that has the best chance of meeting its investment objective.

At least 80% of the portfolio must be investment grade.

The Fund may have up to 20% exposure to investment grade asset-backed or residential mortgage-backed securities.

The Fund may have up to 25% exposure to permitted instruments issued by non-Australian issuers in a G10 foreign currency (with the foreign currency exposure hedged back to the Australian dollar).

The Fund will seek to minimise the interest rate duration risk associated with conventional fixed-income funds by investing in securities that are floating-rate or, if they are fixed-rate securities, by hedging that interest rate risk.

The Fund may obtain exposure to the permitted securities via exchange traded funds (including ASX-quoted funds managed by the Responsible Entity).

The Fund will not use leverage or gearing to seek to enhance its returns.

Derivatives may only be used for hedging purposes, such as hedging currency risk (e.g. using forward foreign exchange contracts) on any non-Australian dollar denominated securities or hedging interest rate duration (e.g. using bond futures) on any securities held in the portfolio. Additionally, credit default swaps may be used to hedge portfolio credit risk, with such usage to be on a temporary basis (generally only up to 28 days). When credit default swaps are used, the total notional value of derivatives is to be less than 10% of the Fund's NAV, except in exceptional circumstances.

All instruments used must also be eligible investments under the AQUA Rules.

The assets of the Fund will be held by the Fund's custodian, other than cash held as collateral for any derivative positions.

2.1.3 Eligible securities

Cash and cash equivalents

Cash includes deposits at call and short-term bank deposits. Cash equivalents are highly liquid, short-dated money market instruments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. These typically include Treasury bills, negotiable certificates of deposit, commercial paper, and senior floating rate notes with maximum time to maturity of 1 year. Cash and cash equivalents are used for liquidity management and capital preservation.

Senior bonds

Senior bonds are the highest-ranking debt security (and rank just below deposits in the case of banks), ahead of all other debt and equity in the capital structure of the issuer. In a winding-up, holders of senior bonds are paid before subordinated creditors and shareholders. Senior bonds may be secured or unsecured and may pay fixed or floating interest.

Subordinated bonds

Subordinated bonds are debt securities that rank behind senior debt but ahead of hybrids and equity in a winding-up. Holders are only paid after the obligations to senior creditors have been satisfied. Subordinated bonds typically offer higher yields than senior bonds to compensate for their lower

ranking and increased loss-absorption risk. Subordinated instruments issued by regulated financial entities may be subject to additional regulatory risks, explained further in section 4.

Hybrid securities

Hybrid securities are instruments with characteristics of both debt and equity. They rank below senior and subordinated debt but ahead of ordinary shares in the capital structure. Hybrids often have perpetual terms, discretionary distributions and may have equity conversion or write-down features. See section 4 for more information on risks associated with hybrids.

Asset-backed (ABS) and residential mortgage-backed securities (RMBS)

The Fund may only invest in investment grade ABS and RMBS. ABS/RMBS are bonds backed by pools of underlying financial assets, such as residential mortgages in the case of RMBS or other receivables in the case of ABS (e.g. auto loans or credit card loans). Cash flows from the asset pool are applied to investors according to a defined priority of payments. Securities may be issued in different tranches, with senior tranches ranking ahead of subordinated tranches regarding receipt of principal and interest. See section 4 for more information on risks associated with ABS and RMBS.

2.1.4 About the Investment Manager

The Responsible Entity has appointed the Investment Manager, a wholly-owned subsidiary of Coolabah Capital Investments Pty Ltd ("Coolabah"), to provide specialist investment management services in connection with the Fund under an institutional mandate.

Under this mandate, the Investment Manager has established the Fund's portfolio and on an ongoing basis makes active changes to the composition of the portfolio consistent with the Fund's investment strategy and the Investment Manager's active philosophy that involves the application of top-down and bottom-up quantitative valuation techniques combined with qualitative due diligence.

Coolabah is an independent, institutional active fixed-income manager founded in Australia in 2011, with expertise in actively managing portfolios that invest in cash, fixed-income and hybrid securities, amongst other types of investments. Coolabah had assets under management of over \$18 billion as at December 2025.

The fees for the Investment Manager's services will be paid by the Responsible Entity out of its own resources.

Section 3.1 "Fees and Other Costs"

Table 3.1: "Fees and Costs Summary" is deleted and replaced with:

TABLE 3.1: FEES AND COSTS SUMMARY

Betashares Australian Credit Income Active ETF

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Ongoing annual fees and costs		
Management fees and costs:	0.55% per annum of the Fund's Net Asset Value.	
The fees and costs for managing your investment	As at the date of this PDS, the management fees and costs of the Fund consist of the following components:	
	Management fee	The management fee is calculated and accrued daily as a percentage of the Fund's Net Asset Value and reflected in the daily Net Asset Value per Unit. The amount is deducted from the Fund's assets monthly on or after the first day of the following month.
	0.55% per annum of the Fund's Net Asset Value.	
	Plus	
	Recoverable expenses	Any expenses normally incurred in operating the Fund are paid as and when they arise by the Responsible Entity out of its own resources. Any extraordinary expenses are deducted from the Fund's assets as and when they arise.
	Estimated at 0.00% per annum of the Fund's Net Asset Value. ¹	
	Plus	
	Indirect costs	Any indirect costs are calculated and accrued daily as a percentage of the Fund's Net Asset Value and reflected in the daily Net Asset Value per Unit.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
	Estimated at 0.00% per annum of the Fund's Net Asset Value. ²	The amount is deducted from the Fund's assets as and when incurred.
Performance fees: Amounts deducted from your investment in relation to the performance of the product	Nil.	Not applicable.
Transaction costs: The costs incurred by the scheme when buying or selling assets	Estimated at 0.00% per annum of the Fund's Net Asset Value. ³	Transaction costs reduce the Fund's Net Asset Value. How and when they are paid varies depending on the type of transaction cost. Certain costs, e.g. brokerage, are added to or deducted from the amounts payable from the Fund's assets or receivable by the Fund at the time of settlement in respect of investments purchased or sold for the Fund. Other costs, e.g. transactional custodian fees, are invoiced to the Fund and paid from the Fund's assets according to a regular monthly or quarterly cycle.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
Establishment fee: The fee to open your investment	Nil.	Not applicable.
Contribution fee: The fee on each amount contributed to your investment	If you are not an Authorised Participant - \$0. If you are an Authorised Participant – for cash applications, up to \$200 plus up to 1.00% of the application amount, unless otherwise agreed by the Responsible Entity. ^{5, 7}	Payable only by Authorised Participants ⁶ . This fee will be payable by Authorised Participants together with the application consideration at the time of applying for Units.
Buy-sell spread: An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil. ⁴	Not applicable.
Withdrawal fee: The fee on each amount you take out of your investment	If you are not an Authorised Participant - \$0. If you are an Authorised Participant – for cash redemptions, up to \$200 plus up to 1.00% of the redemption amount, unless otherwise agreed by the Responsible Entity. ^{5, 7}	Payable only by Authorised Participants ⁶ . This fee will be deducted from the redemption proceeds at the time of the redemption.
Exit fee: The fee to close your investment	Nil.	Not applicable.
Switching fee: The fee for changing investment options	Nil.	Not applicable.

¹ The estimated recoverable expenses incurred by the Fund for the previous financial year ended 30 June 2025 were 0.10%. The estimated recoverable expenses for the current financial year (adjusted to reflect a 12 month period) are nil. For more information on recoverable expenses, please see section 3.3.3 in the "Additional Explanation of Fees and Costs" section below.

² This figure reflects the estimated indirect costs incurred by the Fund for the previous financial year ended 30 June 2025 and may include the Responsible Entity's reasonable estimates where the Responsible Entity was unable to determine the exact amount or information was not available at the date of this PDS. Any ETF management costs borne by the Fund through its investment in ETFs will be reimbursed to the Fund by the Responsible Entity from its own resources. For more information on the meaning and calculation of indirect costs, see "Indirect costs" in the "Additional Explanation of Fees and Costs" section below".

³ This figure reflects the estimated net transaction costs incurred by the Fund for the previous financial year ended 30 June 2025 and may include the Responsible Entity's reasonable estimates where the Responsible Entity was unable to determine the exact amount or information was not available at the date of this PDS. For more information on transaction costs, see "Transaction costs" in the "Additional Explanation of Fees and Costs" section below.

⁴ While the Fund does not charge a buy-sell spread, as the Fund is traded on a securities exchange, investors may incur a bid-offer spread (being the difference between the price at which the Responsible Entity is willing to buy Units and sell Units at any time) when trading on the exchange.

⁵ In-kind applications and redemptions for this Fund are only available if agreed by the Responsible Entity. Additional contribution and withdrawal fees may apply in the case of an in-kind application or redemption as agreed with the Responsible Entity from time to time.

⁶ An Authorised Participant is a participant in relation to a financial market (or which has engaged a participant to act on its behalf) which has entered into an agreement with the Responsible Entity in relation to Unit applications and redemptions. For an explanation of the contribution fees and withdrawal fees (also referred to in this PDS as application fees and redemption fees) please see section 3.3.6 "Application and redemption fees for Authorised Participants" in the "Additional Explanation of Fees and Costs" section. Unitholders who are not Authorised Participants may be charged a redemption fee if they redeem Units pursuant to their right to redeem in the special circumstances described in section 5.4 - see the "Additional Explanation of Fees and Costs" section below for more information.

⁷ For applications, the variable component of the application fee will reflect an adjustment for accrued interest related to investments for the period between the trade date and settlement date. For withdrawals, the withdrawal amount will be adjusted to reflect accrued interest related to investments for the period between the trade date and settlement date.

Certain additional costs may apply. See the "Additional Explanation of Fees and Costs" section below for more information.

Each fee set out in this table may in some cases be negotiated with wholesale clients. For more information, refer to the explanation of "Differential fees, rebates and related payments" in the "Additional Explanation of Fees and Costs" section below.

All fees and costs in the table above include Goods and Services Tax ("GST") net of any reduced input tax credits and any applicable stamp duty and are shown without any other adjustment in relation to any tax deduction available to the Responsible Entity or the extent to which any tax deduction may be passed on to unitholders.

Section 3.2 "Example of Annual fees and Costs"

Table 3.2: Example of Annual Fees and Costs is deleted and replaced with:

TABLE 3.2: EXAMPLE OF ANNUAL FEES AND COSTS

EXAMPLE - Betashares Australian Credit Income Active ETF	AMOUNT	BALANCE OF \$50,000 WITH A CASH CONTRIBUTION OF \$5,000 ¹ DURING THE YEAR
CONTRIBUTION FEES		For every additional \$5,000 you put in, you will be charged \$0.
	\$0 if you are not an Authorised Participant; or	\$0 if you are not an Authorised Participant; or
	Up to \$200 plus up to 1.00% of the application amount for cash applications if you are an Authorised Participant ² .	\$250 if you are an Authorised Participant.
PLUS MANAGEMENT FEES AND COSTS³	0.55% p.a. of the Fund's Net Asset Value.	And , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$275 each year.
PLUS PERFORMANCE FEES	Nil	And , you will be charged or have deducted from your investment \$0 in performance fees each year ⁴ .
PLUS TRANSACTION COSTS⁵	Estimated at 0.00% of the Fund's Net Asset Value.	And , you will be charged or have deducted from your investment \$0 in transaction costs.
EQUALS COST OF FUND		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 ⁶ during that year, you would be charged fees and costs of:

\$275 (if you are not an Authorised Participant) or \$525 (if you are an Authorised Participant for the Fund).*

What it costs you will depend on whether you are an Authorised Participant, the investment option you choose and the fees you negotiate.

*Additional fees may apply. An Authorised Participant who redeems Units directly will also be charged a withdrawal fee up to \$200 plus up to 1.00% of the redemption amount for a cash redemption based on a balance of \$50,000. Unitholders who are not Authorised Participants may be charged a redemption fee if they redeem Units pursuant to their right to redeem in the special circumstances described in section 5.4. For more information – see “Redemption fees for other unitholders” in the “Additional Explanation of Fees and Costs” section below for more information.

Each fee in this table may in some cases be negotiated with wholesale clients. For more information, refer to the explanation of “Differential fees, rebates and related payments” in the “Additional Explanation of Fees and Costs” section below.

¹ Please note the minimum investment in a Fund by an Authorised Participant is one Creation Unit, unless the Responsible Entity agrees otherwise.

² Assumes the maximum contribution fee set out in Table 3.1 applies.

³ Management fees and costs are made up of the management fee, recoverable expenses and indirect costs. This figure reflects the amount incurred by the Fund for the previous financial year ended 30 June 2025 and may include the Responsible Entity's reasonable estimates where the Responsible Entity was unable to determine the exact amount or information was not available at the date of this PDS. For more information, refer to the “Additional Explanation of Fees and Costs” section below.

⁴ The Fund does not charge a performance fee.

⁵ This figure reflects the estimated net transaction costs incurred by the Fund for the previous financial year ended 30 June 2025 and may include the Responsible Entity's reasonable estimates where the Responsible Entity was unable to determine the exact amount or information was not available at the date of this PDS. For more information, refer to “Additional Explanation of Fees and Costs” section below.

⁶ Assumes the \$50,000 is invested for the entire year and the \$5,000 investment occurs on the last day of the year and therefore the fees and costs in this example are calculated using the \$50,000 balance only.

Section 3.3 “Additional Explanation of fees and Costs”

Sections 3.3.3 to 3.3.7 inclusive are deleted and replaced with:

3.3.3 Recoverable expenses

The recoverable expenses represent the operating expenses incurred in the operation of the Fund. The Fund's Constitution allows all properly incurred expenses to be recovered from the Fund and does not place any limit on the amount or types of expenses that can be recovered.

The expenses normally incurred in the day to day operation of the Fund include custodian, fund administration, unit registry, ASX and audit costs (other than transaction costs described above). These expenses normally incurred and charged to the Fund will be paid by the Responsible Entity out of its own resources while this PDS is current. The Responsible Entity may withdraw or replace this PDS at any time.

Extraordinary expenses are expenses that are not normally incurred in the day to day operation of the Fund and are not necessarily incurred in any given year. They may include costs associated with holding unitholder meetings, changing the Fund's constitution, or defending or pursuing legal proceedings. Any such expenses will be recovered from the Fund and reflected in the Net Asset Value per Unit. The management fees and costs figure disclosed in Table 3.1 includes extraordinary expenses of nil, which is the amount incurred by the Fund for the previous financial year ended 30 June 2025.

3.3.4 Indirect costs

Indirect costs are any amounts that we know or where required, reasonably estimate, will reduce the Fund's returns that are paid from the Fund's assets (other than the management fee, recoverable expenses, performance fee and transaction costs described elsewhere in this section) or that are paid from the assets of any interposed vehicle (such as an underlying fund) in which the Fund may invest.

The Fund may incur indirect costs to the extent it invests in any ETF as described in section 2.1.2, which would be accrued and paid in the ETF and reflected in the value of the Fund's holding in that ETF. Any non-trivial indirect costs borne by the Fund through its investment in an ETF will be reimbursed to the Fund by the Responsible Entity from its own resources. The management fees and costs figure disclosed in Table 3.1 includes indirect costs of nil, which is the Responsible Entity's estimate of the amount incurred by the Fund for the previous financial year ended 30 June 2025.

3.3.5 Transaction costs

The Fund incurs transaction costs, such as brokerage, clearing costs, transactional custodian fees, and other transaction fees associated with buying and selling the Fund's assets. Transaction costs also include costs incurred by an interposed vehicle that would be transaction costs if they had been incurred by the Fund. Transaction costs are an additional cost to investors (to the extent they are not off-set by the application and redemption fees charged by the Responsible Entity to Authorised Participants) and are not included in the management fees and costs shown in Table 3.1.

Transaction costs reduce a Fund's Net Asset Value. How and when they are paid varies depending on the type of transaction cost. Certain costs, e.g. brokerage, are added to or deducted from the amounts payable from a Fund's assets or receivable by the Fund at the time of settlement in respect of investments purchased or sold for the Fund. Other costs, e.g. transactional custodian fees, are invoiced and paid from a Fund's assets according to a regular monthly or quarterly cycle.

The net transaction costs of the Fund for the previous financial year ended 30 June 2025 were approximately 0.00% p.a. of the Fund's Net Asset Value or \$0 for every \$50,000 you have in the Fund. These net transaction costs represent estimated total gross transaction costs of 0.01% p.a. minus estimated transaction costs reimbursed to the Fund. These net transaction costs were borne by the Fund.

The transaction costs estimate shown in the fees and costs summary in Table 3.1 is shown net of any amount reimbursed to the Fund in respect of transaction costs.

The amount of these costs can be expected to vary from year to year depending on the volume and value of transactions undertaken.

3.3.6 Application and redemption fees for Authorised Participants

No application fees or redemption fees are payable by investors who buy and sell Units on the ASX. However, brokerage charges may apply.

Subject to section 3.3.7 below, application fees and redemption fees will only be payable by Authorised Participants on an application for or redemption of Units directly with a Fund.

The applicable application and redemption fees are set out in Table 3.1 above and are paid by Authorised Participants to the Responsible Entity. Out of these fees, the Responsible Entity pays directly, or reimburses each Fund for, the estimated transaction costs associated with the application or redemption.

The application and redemption fees payable by Authorised Participants seek to ensure that the transaction costs associated with applications and redemptions are borne by the transacting Authorised Participants and not by other investors.

3.3.7 Redemption fees for other Unitholders

Unitholders who are not Authorised Participants may be charged a redemption fee if they redeem Units pursuant to their right to redeem in the special circumstances described in section 5.4. The redemption fee per Unit will not be greater than the redemption fee per Unit that would be payable by an Authorised Participant for a cash redemption when withdrawing the minimum parcel of Units.

Section 4 "Risks"

Sections 4.1 to 4.30 inclusive are deleted and replaced with:

4.1 INVESTMENT OBJECTIVE RISK

There is no guarantee that the Fund's investment objectives will be achieved. There is no guarantee that an investment in the Fund will earn any positive return in the short or long-term.

4.2 MARKET RISK

The Fund's investment returns will be influenced by the performance of the fixed income market as a whole. Changes in prices of the securities held by the Fund may result in a loss in value of the Fund's Units. Market factors that drive changes in the prices of fixed income securities, including changes in interest rates, inflation, global events (such as natural disasters, wars and other conflicts, and outbreaks of infectious diseases), general economic conditions, investor sentiment, industry-specific factors and the financial performance of specific issuers, can be expected to influence the value of the Units. Markets can be volatile and fluctuate from day-to-day. This volatility may cause the value of an investment in the Units to decrease.

4.3 INTEREST RATE RISK

Changes in interest rates can have a negative impact on the prices of the Fund's securities as well as on their income returns. As the securities held by the Fund are expected to provide an effective floating rate exposure, their income payments can be expected to vary over time, based on the movement in the relevant reference rate. In a period of falling interest rates, income payments can be expected to fall, reducing the Fund's returns.

However, movements in interest rates can be expected to have a relatively low impact on the prices of the securities held by the Fund, as the Fund is expected to have effective exposure only to floating rate securities, or fixed rate securities where interest rate risks are hedged. Any interest rate hedging within the Fund may be imperfect, so there may be some residual interest rate risk present in the Fund.

4.4 CREDIT RISK

4.4.1 Credit default risk

The Fund will be exposed to the risk that an issuer or obligor of securities or cash instruments held by the Fund may default on its payment obligations or choose at its discretion not to make payments, due to financial difficulties, thereby reducing the value of the investment to which the Fund has exposure. The Fund seeks to reduce this risk by assessing the credit and other non-payment risks inherent in any investment it makes.

The debt securities to which the Fund has exposure typically have credit ratings. Such ratings merely reflect the opinion of a particular ratings agency, and do not provide any assurance regarding the bond issuer's ability to meet its payment obligations in relation to a bond. Credit ratings are not intended to be an investment recommendation or used as a basis for assessing investment merit. They are limited in scope and may be changed or withdrawn at any time.

4.4.2 Credit spread risk

The Fund is also exposed to credit spread risk. This arises when investors demand a higher spread for securities with higher credit risks, causing a fall in their value. This is often associated with a deterioration in the financial performance of the issuer and/or a downturn in economic conditions, leading to an expectation of higher levels of default on higher risk securities.

4.4.3 Securitised credit risk

The Fund may have some exposure to RMBS and ABS. Securitised credit securities, such as RMBS and ABS, are generally issued by special purpose vehicles (SPVs) that hold a pool of underlying financial assets such as residential mortgages or other receivables. Investors do not have recourse to an operating company but rely on the cash flows generated by the underlying asset pool and the structural protections of the transaction.

The assets in the pool are aggregated and the credit risk associated with those assets is transferred to investors through the issuance of different classes (tranches) of securities. These tranches have a defined order of priority for the payment of interest and principal. Subordinated tranches absorb losses first, with senior tranches benefiting from subordination and other credit enhancement mechanisms. If losses in the underlying asset pool exceed available credit support, investors in more senior tranches may also suffer losses.

The performance of securitised credit securities depends on the credit quality of the underlying borrowers, the level of credit enhancement, and the proper functioning of transaction counterparties, including servicer providers and trustees. In adverse economic or market conditions, increased borrower defaults, reduced recoveries, prepayment variability, structural deficiencies or counterparty disruption may reduce cash flows and the value of the securities. Securitised structures may also involve complexity and limited transparency, which may increase valuation and liquidity risk relative to traditional corporate bonds.

4.4.4 Sub-investment grade securities risk

The Fund may have some exposure to sub-investment grade securities. Sub-investment grade securities are debt instruments rated below investment grade, or considered by the Investment Manager to be of comparable credit quality. These securities carry a higher risk of default than investment grade securities.

Issuers of sub-investment grade securities are generally more sensitive to adverse economic conditions, industry developments or issuer-specific events. As a result, these securities typically exhibit greater price volatility and wider credit spread movements than investment grade securities, particularly in stressed market conditions.

Sub-investment grade securities may also be less liquid than investment grade securities, which may increase the risk of loss if the Fund is required to sell such securities in unfavourable market conditions.

4.5 SECURITY MATURITY EXTENTION RISK

Certain securities held by the Fund may contain call or early redemption features that allow the issuer to redeem the security prior to its stated maturity, subject to the terms of issue and, in some cases, regulatory approval. There is no obligation on the issuer to exercise such call rights.

If a security is not redeemed at its first call date, its effective maturity may extend to its final legal maturity. This may expose the Fund to a longer period of credit risk and credit spread risk than originally anticipated and may result in increased price volatility and a decline in the market value of the security.

This risk is most relevant to subordinated and junior subordinated securities, which are commonly structured with call dates several years prior to their final legal maturity. However, it may also apply to certain senior securities issued to satisfy regulatory loss-absorbing capital requirements.

4.6 SECURITIES LIQUIDITY RISK

Securities held in the Fund may face liquidity issues. This means that there may be fewer buyers and sellers in the market for the respective type of investment. There is therefore the risk that a security held by the Fund may be difficult or impossible to sell, preventing the Fund from exiting its position in a timely manner and at a fair price. This may be due to factors specific to that investment or to prevailing market conditions.

In addition, there is a risk that trading in one or more of the securities held by the Fund may cease due to action taken by the issuer of a security or by a regulatory authority, suspension of normal trading on the relevant exchange, or other reasons.

A lack of liquidity could potentially cause the Fund's Units to be suspended from trading on the ASX.

4.7 SUBORDINATED BOND RISK

Subordinated bonds carry greater risk than senior bonds issued by the same entity due to their lower ranking in the capital structure. In a winding-up, subordinated bonds rank behind the obligations to senior creditors and will absorb losses before senior debt.

Subordinated bonds issued by regulated financial institutions are regulatory capital instruments (typically Tier 2 capital) and are structured to absorb losses in stress scenarios. These instruments contain contractual loss-absorption mechanisms. If the issuer is determined by the relevant prudential regulator to be non-viable, the bonds are subject to mandatory conversion into ordinary shares or write-down, in whole or in part. A non-viability trigger may occur prior to insolvency and may result in investors losing some or all of their investment.

Subordinated bonds are typically issued with call dates prior to final maturity and may be redeemed early for regulatory or tax reasons, subject to regulatory approval. Early redemption may occur at par value and may expose the Fund to reinvestment risk.

The terms of some subordinated bonds permit the issuer to defer interest payments in defined circumstances. Where distributions are non-cumulative, deferred payments are not required to be made up in the future.

Subordinated bonds are more sensitive to deterioration in the issuer's credit profile and typically exhibit greater price volatility than senior bonds, particularly in periods of market stress.

4.8 HYBRID SECURITY RISK

Hybrids and other forms of Additional Tier 1 securities have complex and unique terms of issue. They carry higher structural risk than senior and subordinated bonds due to their lower ranking in the capital structure and their equity-like features. In a winding-up, hybrids rank behind senior and subordinated debt and ahead of ordinary shares.

Hybrids commonly have perpetual or very long-dated terms and may not have a fixed maturity date. Many hybrids issued by financial institutions are regulatory capital instruments and contain contractual loss-absorption mechanisms. These instruments are subject to mandatory conversion into ordinary shares or write-down, in whole or in part, if specified trigger events occur, including where the issuer is determined by the relevant prudential regulator to be non-viable. Regulatory intervention may occur prior to insolvency. In certain circumstances, hybrids may be converted into shares or written down before ordinary shareholders incur losses, which may result in investors losing some or all of their investment.

Distributions on hybrids are typically discretionary and may be deferred or cancelled in defined circumstances, including where the issuer experiences financial stress or is subject to regulatory capital constraints. Where distributions are non-cumulative, missed payments are not required to be made up in the future.

Hybrids are generally more sensitive to changes in the issuer's credit profile, capital position and equity market conditions than senior or subordinated bonds and may exhibit greater price volatility, particularly in periods of market stress.

4.9 REGULATORY CAPITAL REQUIREMENTS RISK (FINANCIAL INSTITUTIONS)

4.9.1 Phasing out of Australian bank hybrids

In December 2024, APRA announced that it would phase out the use of Additional Tier 1 capital instruments (often called bank hybrids) by Australian banks by 2032 in order to simplify and improve the effectiveness of bank capital in a crisis. This regulatory change will not apply to hybrids issued by insurance companies.

APRA has proposed commencing the transition to the simpler capital framework from 1 January 2027, with all current Additional Tier 1 capital instruments on issue expected to be replaced by Tier 2 capital instruments by 2032. APRA's stated intention is for an orderly transition path with changes implemented over time. Additional Tier 1 capital instruments will continue to be eligible as regulatory capital until their first call dates.

As at the date of this PDS, a large proportion of the hybrids market in Australia is made up of issuances by banks. While the phasing out of bank hybrids is expected to reduce the investable universe of hybrids in Australia, hybrids issued by insurers and non-bank corporates will not be affected by APRA's decision. The Fund is actively managed and has the ability to allocate across the fixed income risk spectrum, from hybrids to bonds and cash.

It is possible that overseas prudential regulators may take similar action, which could impact the Fund.

4.9.2 General regulatory change risk

Financial institutions globally are subject to prudential capital frameworks, such as Basel III and related domestic implementations. These frameworks govern the composition, eligibility and treatment of regulatory capital instruments, including Additional Tier 1 and Tier 2 securities.

There is a risk that regulators in Australia or other jurisdictions may introduce further changes to capital standards, including changes to the eligibility, structure, loss-absorption features, or phase-out of certain types of regulatory capital instruments. For example, regulators may determine that specific classes of hybrid or subordinated securities are no longer eligible as regulatory capital or may require changes to their structural terms.

Such regulatory changes may affect the supply, demand, liquidity, pricing and risk characteristics of regulatory capital securities held by the Fund. In certain circumstances, regulatory reform may result in early redemption, replacement, restructuring or reduced market depth for affected instruments.

Changes to prudential standards, whether domestic or international, may adversely affect the value or liquidity of regulatory capital securities held by the Fund.

4.10 CURRENCY HEDGING RISK

The Fund may invest in securities denominated in foreign currencies and intends to substantially hedge its foreign currency exposure back to Australian dollars.

Currency hedging may not be fully effective. Movements in exchange rates, differences between the value of the hedging instrument and the underlying exposure (basis risk), timing mismatches or market disruption may result in the hedge not fully offsetting currency movements. As a result, the Fund may remain exposed to some foreign currency fluctuations.

4.11 INFLATION RISK

Inflation reduces the purchasing power of income and capital over time. If inflation increases and the Fund's returns do not increase by a corresponding amount, the real value of investors' income and capital may decline.

The Fund seeks to deliver net returns that exceed the RBA cash rate by at least 2% per annum over a rolling three-year period. However, if inflation exceeds this level, or increases materially during a period in which returns do not keep pace, the Fund may not preserve investors' real purchasing power, even if it achieves its stated objective relative to the RBA cash rate.

Accordingly, achieving the Fund's return objective does not provide assurance of a positive real return after inflation.

4.12 SECURITY SPECIFIC RISK

Factors specific to a particular security may cause its return to differ from that of the broader market. Such factors may include the issuer's business prospects, market estimations of potential future profitability, and market sentiment. The Fund may be sensitive to security specific risk for those securities which form a material component of the portfolio.

4.13 INDUSTRY SPECIFIC RISK

A large proportion of the credit market in Australia is made up of issuances by banks and insurance companies.

The banking industry in Australia is relatively concentrated and can be subject to rapid change. Companies in the banking sector can be significantly affected by the availability and cost of capital, changes in interest rates, the rate of corporate and consumer debt defaults, and price competition

between different participants. In addition, the banking industry is highly regulated and the impact of laws or regulations (including those relating to required levels of bank capital and liquidity) may have an adverse effect on the banking industry and on the value of hybrid securities issued by banks.

4.14 SHARE PRICE RISK (FOR CONVERTIBLE SECURITIES)

Convertible debt securities, capital notes and convertible preference shares are hybrids that are typically convertible into equity, normally ordinary shares in the issuer, at the option of the issuer or the investor at a specified date in the future. As a result, the value of the hybrid may be affected by changes in the market value in the issuer's shares.

4.15 CONCENTRATION RISK

While the Fund is generally expected to hold a diversified portfolio, the Investment Manager may, from time to time, allocate a larger proportion of the Fund's assets to a smaller number of issuers, sectors or securities where it considers this appropriate due to prevailing market conditions, relative value or risk considerations. Therefore, at times, there is greater potential for the overall returns of the investment portfolio to be adversely affected by poor performance in the areas in which the Fund is concentrated than would be the case if the Fund were more broadly diversified.

4.16 DERIVATIVES RISK

The Fund may use derivatives for hedging purposes. The primary risks associated with the use of derivative contracts are:

- the values of the derivative failing to move in line with the underlying asset;
- the potential lack of liquidity of the derivative;
- the potential to incur substantial losses in excess of the initial amount invested;
- the possibility that the derivative position is difficult or costly to manage or reverse;
- the Fund may not be able to meet payment obligations as they arise, including any requirements to make margin payments to a derivatives counterparty;
- the counterparty to the derivative contract may not meet its obligations under the contract; and
- the electronic platforms on which exchange traded derivatives are traded are subject to risks related to system access, varying response times, security and system failure.

Any of the above factors could cause the Fund to incur losses, suffer increased costs, fail to realise gains or otherwise fail to achieve its investment objectives.

4.17 VALUATION RISK

There is a risk that the value of the Fund's underlying investments used to calculate the Fund's Net Asset Value, as obtained from independent valuation sources, may not accurately reflect the realisable value of those investments.

4.18 FUND TRADING RISK

In certain circumstances, the ASX may suspend trading of the Units of the Fund and in that event Unitholders would not be able to buy or sell Units of the Fund on the ASX. In these circumstances, the Responsible Entity may suspend the issue and withdrawal of Units.

The ASX also imposes certain requirements for Units to continue to be quoted. The Responsible Entity will endeavour to meet these requirements at all times to ensure the Units remain quoted, although there can be no assurance that Units will remain quoted on the ASX. Under these circumstances, the Responsible Entity may take measures such as suspending the issue and withdrawal of Units or potentially terminating the Fund.

4.19 FUND LIQUIDITY RISK

Although Units are quoted on the AQUA market of the ASX there can be no assurances that there will be a liquid market for Units. The Responsible Entity has in place market making arrangements to assist in maintaining liquidity for the Fund on the ASX. The Responsible Entity cannot guarantee that a market maker will fulfil its obligations or that a market maker will continue to be appointed. The market making arrangements agreed by the Responsible Entity with a market maker also specify certain permitted circumstances where the market making obligations may be suspended (such as operational disruptions, market disruptions or unusual conditions (including those which make the market maker's ability to perform the market making function impossible, impracticable or unduly onerous such as an unusually volatile or "fast market"), other events set out in the ASX Operating Rules, the suspension or rejection of applications for Units or redemption requests, or the market maker not having ASIC relief to allow short selling of Units).

If a market maker defaults on its obligations, the Responsible Entity may seek to replace the market maker, although the arrangements with the market maker may limit or exclude any liability on the part of the market maker.

In addition, there is the risk that one or more assets held by the Fund may suffer from restricted or limited liquidity, which may be associated with wider than usual bid-offer spreads for such assets, preventing the Fund from closing out certain positions or rebalancing in a timely manner and at a fair price. This may be due to factors specific to that investment or to prevailing market conditions. The bid-offer spread for Units can be expected to increase if there is decreased liquidity for the underlying securities and/or their bid-offer spreads widen due to market conditions.

The Fund's monthly average bid-offer spread will be reported in the ASX Investment Products Monthly Update, which can be viewed on the ASX's website at www.asx.com.au.

4.20 TRADING PRICE OF UNITS MAY DIFFER FROM NET ASSET VALUE PER UNIT

As with any exchange traded managed fund, it is possible that the trading price of Units on the ASX may differ from the Net Asset Value per Unit and the iNAV. The trading price is dependent on a number of factors including the demand for and supply of Units, investor confidence, the availability of market maker services during the course of the trading day, and the bid-offer spread charged by a market maker. The trading price may be affected if

there is a suspension of the application and redemption process. The application and redemption facility is designed to reduce the likelihood of Units trading at a significant discount or premium to the Net Asset Value per Unit. If the application or redemption facility for a Fund is closed on a particular day, the trading price might diverge further from the Net Asset Value per Unit.

Periods of increased market volatility or disruptions to the market making function may result in wider bid-offer spreads for Units and trading prices that differ significantly from the Fund's Net Asset Value per Unit and the iNAV. This risk may be higher in the period shortly after the ASX opens for trading and near the close of trading. If an investor purchases Units at a time when the market price is at a premium to the Net Asset Value per Unit or sells at a time when the market price is at a discount to the Net Asset Value per Unit, then the investor may sustain losses. Investors should consider placing "limit orders" to reduce the risk of trading at unfavourable prices.

4.21 MATERIAL PORTFOLIO INFORMATION RISK

The Fund uses a material portfolio information (MPI) disclosure model to describe its investment exposures rather than disclosing its full portfolio holdings on a daily basis. Under this approach, investors are provided with representative information, updated daily, about the Fund's portfolio composition, rather than information about every asset held by the Fund.

There is a risk that the MPI model may not fully reflect the Fund's actual holdings or exposures at a particular point in time, due to active investment decisions or other portfolio changes. As a result, the Fund's performance and risk profile may differ from what an investor might expect based solely on the disclosed MPI.

Market makers will use the MPI basket to assess the value the Fund and inform the bids and offers for Units they post on the exchange. If the MPI basket does not accurately represent the Fund's composition at a particular point in time, particularly during periods of heightened market volatility or when the Investment Manager makes tactical adjustments to the portfolio, this could contribute to bids, offers and traded prices on the exchange that differ materially from the Fund's net asset value.

4.22 INAV RISK

The iNAV published by the Fund is indicative only, may not be up to date, may not reflect the true value of a Unit, and may differ from the trading price of Units on the ASX.

4.23 EFFECT OF UNIT ISSUANCE AND CANCELLATION ON DISTRIBUTIONS

The distribution per Unit amount for a distribution period may be affected by the issuance or cancellation of Units during the period. The issue of Units during a distribution period will tend to reduce the amount of the distribution per Unit for that period (which will be associated with a smaller decline in the NAV per Unit at the time of the distribution). Conversely, the cancellation of Units during a distribution period will tend to increase the amount of the distribution per Unit for that period (which will be associated with a larger decline in the NAV per Unit at the time of the distribution).

4.24 MANAGER RISK

This is the risk that the Fund's investment strategy is not successful, or not successfully implemented, resulting in the Fund failing to meet its objectives. No assurance can be given that the trading systems and strategies utilised by the Responsible Entity or the Investment Manager will prove successful under all or any market conditions.

The Fund is actively managed and relies on the Investment Manager's skill and judgement. Investment decisions may not achieve the Fund's performance objective, and the Fund may underperform comparable funds or benchmarks.

The Investment Manager's appointment may be terminated in certain circumstances.

4.25 FUND RISK

There is a risk that the Fund could terminate, that the Fund's investment objective or investment strategy or fees and expenses could change or that the Responsible Entity may not be able to continue to act, for example if it loses its Australian financial services licence (in which case it could be replaced as responsible entity of the Fund or the Fund could be wound up). Any replacement responsible entity might achieve different results for investors, positive or negative, than would otherwise be the case.

4.26 GENERAL REGULATORY RISK

This is the risk that a government or regulator may introduce regulatory and/or tax changes, or a court makes a decision regarding the interpretation of the law, which affects the value of the Units or the tax treatment of the Fund and its Unitholders.

The Fund may be affected by changes to legislation or government policy both in Australia and in other countries. These changes are monitored by the Responsible Entity and action is taken, where appropriate, to facilitate the achievement of the investment objective of the Fund. The Responsible Entity may not always be in a position to take such action.

4.27 TAX RISK

Taxation law is complex and subject to changes by the Australian Government, possibly with retrospective effect.

As the circumstances of each investor are different, the Responsible Entity strongly recommends that investors obtain professional independent tax advice relating to the tax implications of investing in and dealing in Units.

The Fund's returns may be affected by the deduction of withholding taxes from income payments received from offshore jurisdictions.

Unitholders redeeming their Units should note the risk of potentially adverse tax implications where the Units are not held as trading stock or as revenue assets and should seek their own advice in this regard. The tax implications of redemption may be different to selling Units on the ASX.

These and other taxation matters are dealt with in section 7 of this PDS.

4.28 OPERATIONAL RISK

The Fund's day to day operations may be adversely affected by circumstances beyond the reasonable control of the Responsible Entity, such as failure of technology or infrastructure, or natural disasters. A breakdown in administrative procedures and risk control measures implemented by the Responsible Entity or its service providers, including with respect to cyber-security, may also adversely affect the operation and performance of the Fund.

4.29 COUNTERPARTY RISK

Counterparties used in connection with the Fund's investment activities may default on their obligations, for instance by failing to make a payment when due. This may be due to insolvency or other events of default. Such counterparties may include service providers and derivatives counterparties, as well as the Fund's custodian. Default on the part of a counterparty could result in financial loss to the Fund.

4.30 CYBER-SECURITY RISK

With the increased use of technology to conduct business, the Responsible Entity, the Fund and their service providers can be susceptible to information security and related risks including cyber-security attacks or incidents.

Cyber incidents can result from deliberate attacks or unintentional events, and include gaining unauthorised access to digital systems, networks or devices for the purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e. efforts to make network services unavailable to intended users).

Cyber-security breaches may cause disruptions to the Fund's operations, potentially resulting in financial loss.

Section 5 "How to Buy and Sell Units"

The information under the heading "5 How to Buy and Sell Units" is deleted and replaced with:

Only Authorised Participants may apply for Units directly through this PDS.

Other investors cannot apply for Units through this PDS. Such investors may buy and sell Units by trading on the ASX through a stockbroker or via a financial adviser.

Prior to being issued Units, an Authorised Participant must execute an Authorised Participant Agreement that deals with, amongst other things, the rights and obligations of the Authorised Participant in relation to applying for Units. See section 6.3 for further information about the Authorised Participant Agreement.

Unitholders who are not Authorised Participants may only redeem Units in the special circumstances described in section 5.4. However, all Unitholders may normally sell their Units by trading on the ASX.

To effect an application or redemption, Authorised Participants must complete the Application Form or Redemption Form that accompanies this PDS or is available from www.betashares.com.au/authorised-participants or by calling Client Services on +1300 487 577 (within Australia) +61 2 9290 6888 (outside Australia).

Applications for, and redemptions of, Units will be settled through the CHESS system.

5.1 MINIMUM APPLICATIONS AND REDEMPTIONS

The minimum application and redemption amount is one Creation Unit, unless otherwise agreed with the Responsible Entity. The number of Units that constitute a Creation Unit for each Fund is determined by the Responsible Entity and notified to Authorised Participants.

Applications and redemptions must be for whole multiples of Creation Units, unless otherwise agreed with the Responsible Entity.

Application and redemption amounts are payable or receivable (as applicable) in cash in Australian dollars, unless otherwise agreed with the Responsible Entity.

5.2 PROCESSING OF APPLICATIONS AND REDEMPTIONS

Application/Redemption forms received from Authorised Participants before the Dealing Deadline on a Dealing Day are processed at the Issue Price/Withdrawal Amount (being the Net Asset Value per Unit) for the Fund applicable to that day. Application/Redemption forms received from Authorised Participants on or after the Dealing Deadline on a Dealing Day, or on a non-Dealing Day, will be treated as being received on the next Dealing Day.

5.3 APPLICATIONS AND REDEMPTIONS

For applications, Authorised Participants must deliver to the Responsible Entity or custodian an amount of Australian dollars equal to the Issue Price for the relevant Units, plus the application fee, unless otherwise agreed by the Responsible Entity. In return, they will receive the relevant Units.

For redemptions, Authorised Participants must deliver, or arrange for delivery of, the relevant Units to the Responsible Entity or custodian. In return, they will receive an amount of Australian dollars equal to the Withdrawal Amount for the relevant Units, less the redemption fee, unless otherwise agreed by the Responsible Entity.

Details of the amounts payable pursuant to applications, or receivable upon redemptions, will be notified to the Authorised Participant on the ASX Business Day following the effective date of the application or redemption.

An application received by the Dealing Deadline (on day T) will generally enable the Authorised Participant to receive the new Units in its CHESS account in accordance with the standard CHESS settlement period (two ASX Business Days later (T+2) as at the date of this PDS), provided the Authorised Participant has paid the application consideration and application fee by no later than the standard CHESS settlement cut-off time (11:30am as at the date of this PDS) on that settlement day or as otherwise agreed with the Authorised Participant.

Units issued in respect of an application will generally be quoted with effect from the settlement of the issue of the relevant Units through CHESS.

A redemption request received by the Dealing Deadline (on day T) will generally enable the Authorised Participant to receive the redemption payment in accordance with the standard CHESS settlement period (two ASX Business Days later (T+2) as at the date of this PDS), provided the Authorised Participant has transferred the Units and the redemption fee by no later than the standard CHESS settlement cut-off time (11:30am as at the date of this PDS) on that settlement day or as otherwise agreed with the Authorised Participant.

By signing an Authorised Participant Agreement, an Authorised Participant agrees to be bound by certain execution and settlement procedures in relation to applications for and redemptions of Units which are set out in the Authorised Participant Agreement. Settlement failure procedures apply if an Authorised Participant does not comply with its obligations under the procedures. The procedures allow the Responsible Entity to cancel an application or redemption in certain circumstances and to take certain other action. The Responsible Entity may also reject any application in whole or in part at any time, without giving reasons.

5.4 UNITHOLDER REDEMPTIONS IN SPECIAL CIRCUMSTANCES

All Unitholders may normally sell their Units by trading on the ASX. Unitholders who are not Authorised Participants will not normally have a right to redeem their Units directly with a Fund. However, all Unitholders will have a right to a cash redemption and to receive payment within a reasonable time if Units are suspended from quotation on the ASX for more than five consecutive trading days, unless:

- the Fund is being wound up;
- the Fund is not “liquid” as defined in the Corporations Act; or
- the Responsible Entity has suspended redemptions in accordance with the Constitution for a Fund.

Unitholders may redeem in these circumstances by completing the Redemption Form attached to this PDS. They will receive cash in Australian dollars equal to the aggregate Withdrawal Amount for the relevant Units (less any redemption fee).

No minimum redemption amount will apply.

5.5 SUSPENSIONS OF APPLICATIONS AND REDEMPTIONS

There may be occasions where the Responsible Entity may suspend the issue of Units or delay or reject redemption requests. This may occur, for example, around the end of a distribution period when the Responsible Entity is calculating and paying the distributable income for the relevant period or where there are factors, as determined by the Responsible Entity, which prevent the accurate calculation of Unit prices. The Responsible Entity will advise Unitholders of any suspension of applications or delay or rejection of redemptions.

Where the Responsible Entity cannot accurately determine the Net Asset Value per Unit, the Responsible Entity may suspend applications for Units and/or delay or reject redemptions of Units.

The Responsible Entity may also scale down redemptions in certain circumstances.

See section 6.2.7 and 6.2.8 for further information.

5.6 VALUATIONS AND PRICING

The amount per Unit payable by an Authorised Participant upon an application for Units is known as the Issue Price, and is equal to the Net Asset Value per Unit.

The amount per Unit to which an Authorised Participant (or other Unitholder as described in section 5.4) is entitled on the redemption of Units is known as the Withdrawal Amount, and is equal to the Net Asset Value per Unit.

The Issue Price and the Withdrawal Amount are calculated in the same manner and will have the same value at any time. This value is determined by dividing the Net Asset Value of the Fund by the number of Units on issue in the Fund at the time the Issue Price and/or Withdrawal Amount are determined (the valuation time).

The Withdrawal Amount paid to a Unitholder on the redemption of Units may include a distribution of the distributable income of the Fund. Please refer to section 7.1.6 for information regarding how this entitlement is determined.

The Net Asset Value of the Fund is calculated by deducting from the aggregate value of the assets of the Fund all liabilities such as accrued fees and other costs, and provisions relating to the Fund. Fees and other costs, including the Responsible Entity's fees, are normally accrued daily. The Fund's assets reflect their market value. The valuation methods applied by the Responsible Entity to value the Fund's assets and liabilities must be consistent with the range of ordinary commercial practice for valuing them.

Details of the daily Net Asset Value per Unit (and hence the Issue Price and Withdrawal Amount) will be made available on the Betashares website at www.betashares.com.au.

Section 6 “Additional Information”

A new section is inserted after section 6.1.2 “Registrar”, as follows:

6.1.3 Market maker

The role of a market maker is to provide liquidity in the market for Units and to satisfy supply and demand for Units. They do this by:

- Subject to certain conditions, providing liquidity to the market through acting as the buyer and seller of Units during a significant part of the trading day; and
- Creating and redeeming Units in the primary market pursuant to this PDS, which helps to ensure the number of Units on issue matches supply and demand.

The Responsible Entity seeks to appoint market making firms:

- that have experience in making markets in exchange-traded securities in Australia or internationally;
- that have the necessary skill and expertise to perform market making functions; and
- that are ASX participants (or trade through an ASX participant).

To qualify for admission as an ASX participant, a firm must meet admission requirements set out in the ASX Operating Rules, which require the firm to hold an Australian financial services licence that authorises it to carry on its business as a market participant and to satisfy the ASX of various matters including organisational competence and business integrity.

Information about the market maker(s) selected by the Responsible Entity from time to time can be obtained by contacting the Responsible Entity.

The arrangements with the market maker specify certain permitted circumstances where the market making obligations may be suspended (such as operational disruptions, market disruptions or unusual conditions (including those which make the market maker's ability to perform the market making function impossible, impracticable or unduly onerous such as an unusually volatile or "fast market"), other events set out in the ASX Operating Rules, the suspension or rejection of applications for Units or redemption requests, or the market maker not having ASIC relief to allow short selling of Units). If a market maker defaults on its obligations, the Responsible Entity may seek to replace the market maker, although the arrangements with the market maker may limit or exclude any liability on the part of the market maker. The arrangements with the market maker may also provide that the market maker has no liability or responsibility to Unitholders for any act or omission made in connection with the market making arrangements.

Unitholders should be aware that a market maker will retain for its own account any trading profit and bear any loss which may be generated by its market making activities. Subject to the AQUA Rules and the agreement with the market maker, the Responsible Entity may appoint or terminate a market maker in respect of the Fund. The Responsible Entity may determine to no longer appoint a market maker in respect of the Fund in circumstances where it is no longer required to do so under the AQUA Rules.

The following new sections are inserted after section 6.2.22 "Other services":

Indicative Net Asset Value per Unit

The Responsible Entity has engaged an agent to calculate an estimated indicative NAV per Unit (iNAV) for the Fund during an ASX Business Day. Investors may wish to check the market price against the Fund's iNAV as a reference before trading. The iNAV calculations are based on the Fund's material portfolio information (MPI basket) as at the open of trading on the relevant day, using updated intraday pricing and less any estimated liabilities of the Fund. The iNAV will be published on the Betashares website at www.betashares.com.au.

Any iNAV is not, and should not be taken to be or relied on as being, the value of a Unit or the price at which Units may be applied for or redeemed, or bought or sold on any stock exchange, and may not reflect the true value of a Unit. Investors interested in applying for or redeeming Units, or buying or selling Units on a stock exchange, should not rely on any iNAV which is made available, in making investment decisions but should consider other market information and relevant economic factors. Neither the Responsible Entity nor any service provider to the Responsible Entity shall be liable to any person who relies on the iNAV.

No assurance can be given that any iNAV will be published continuously, will be up to date or free from error. The publication of an iNAV is dependent on the availability of a suitable data provider and other factors.

Material portfolio information (MPI) disclosure

The Fund uses a material portfolio information (MPI) model to disclose information about its investments. Under this model, the Fund does not publish its full portfolio holdings on a daily basis. Instead, the Fund provides representative portfolio information on a daily basis on the Fund's webpage designed to describe the Fund's portfolio composition.

The MPI model aims to support efficient market making and trading in the Fund's Units without compromising the proprietary nature of the Fund's active investment decisions and portfolio holdings. The MPI is intended to assist market participants in pricing and trading the Fund's Units and to provide investors with meaningful information about the nature of the Fund's investments, without disclosing full portfolio holdings on a daily basis.

On a quarterly basis, the Fund will publish information about the tracking performance between the disclosed MPI basket and the actual portfolio.

Additionally, an iNAV will be published during the trading day, and the Fund's full portfolio holdings will be published quarterly within two months of quarter end.

The following section is inserted as the first paragraph in section 6.3 "ASIC Relief":

Equal Treatment Relief

ASIC Corporations (Relief to Facilitate Admission of Exchange Traded Funds) Instrument 2024/147 exempts the Responsible Entity from the equal treatment requirement in section 601FC(1)(d) of the Corporations Act, to the extent necessary to allow the Responsible Entity to restrict eligibility to submit redemption requests in relation to Units to Authorised Participants. The Responsible Entity will not treat Unitholders of the same class equally to the extent that it restricts redemptions from the Fund to such Authorised Participants.

Relief is granted subject to certain conditions, including the condition that all Unitholders will have a right to a cash redemption if Units are suspended from trading on the ASX for more than five consecutive trading days, unless:

- the Fund is being wound up;
- the Fund is no longer a liquid scheme; or
- the Responsible Entity has suspended redemptions in accordance with the Fund's constitution.

If such a redemption occurs, any redemption fee per Unit payable by Unitholders who are not Authorised Participants must not be greater than the redemption fee per Unit that would generally be payable on redemption by an Authorised Participant for a cash redemption when withdrawing the minimum parcel of Units.

Section 7 "Taxation"

The following new section is inserted after section 7.1.5:

7.1.6 Applications and redemptions

A person will generally only be eligible to apply for and redeem Units if they are an Authorised Participant.

This section seeks to provide a summary of the tax consequences for Authorised Participants who are assessed on the disposal of Units otherwise than under the CGT provisions (e.g. because they are in the business of dealing in securities like Units).

Authorised Participants should obtain professional independent tax advice regarding the tax consequences of applying for and the redemption of their Units, particularly if they are assessed on the disposal of Units under the capital gains provisions.

Applications

The Units which an Authorised Participant acquires on an application for Units should be taken to have been acquired at a cost equal to the purchase price of those Units.

Redemptions

An Authorised Participant who redeems Units will become entitled to receive the Withdrawal Amount plus a cash component representing interest accrued on the redemption (this may be reduced by the redemption fee).

The redemption of Units by an Authorised Participant may result in the Authorised Participant being assessed on some of the taxable income of the Fund, through a distribution of income or an attribution under the AMIT regime. This includes, but is not limited to, income and other gains realised by the Fund to fund the redemption of Units by the Authorised Participant, and potentially, where fair and reasonable, a portion of undistributed income or gains for the year as at the time of the redemption.

The Withdrawal Amount may therefore comprise a share of the income of the Fund as well as the payment of the redemption price for the Units which are to be redeemed. An Authorised Participant whose Units are redeemed should be assessed on any profit arising on the redemption of the Units.

An Authorised Participant who redeems Units may be entitled to a deduction for any loss arising on the redemption of Units.

For the purposes of determining the profit or loss arising on the redemption, the redemption price (being the Withdrawal Amount less the share of income provided as part of the Withdrawal Amount) should be regarded as the proceeds received in respect of the disposal.

That part of the Withdrawal Amount that is a share of income should also be assessable, based on the components of the distribution of income.

The Responsible Entity will notify persons who have redeemed Units during a financial year of the composition of the Withdrawal Amount, including the composition of any income entitlement they received in connection with the redemption of Units during that year, following the end of the financial year, once that information becomes available.

Section 8 "Glossary"

The glossary table is deleted and replaced with:

Applicant Nominee	An entity which holds Units pending settlement on behalf of Authorised Participants applying for Units. As at the date of this PDS the Applicant Nominee is Citigroup Pty Limited. The Responsible Entity may determine that the Applicant Nominee is no longer to be appointed to hold Units pending settlement on behalf of Authorised Participants applying for Units.
AQUA Product	A product admitted under the ASX Operating Rules to the AQUA market of the ASX.
AQUA Rules	Schedule 10A of the ASX Operating Rules and related rules and procedures, as amended, varied or waived from time to time.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited or the Australian Securities Exchange, as the case requires.
ASX Business Day	A "Business Day" as defined in the ASX Operating Rules, unless determined otherwise by the Responsible Entity.
ASX Listing Rules	The listing rules of the ASX as amended, varied or waived from time to time.
ASX Operating Rules	The operating rules of the ASX as amended, varied or waived from time to time.
Authorised Participant	A financial institution which is a participant in relation to a financial market (or which has engaged a participant to act on its behalf), which has entered into an Authorised Participant Agreement with the Responsible Entity.
Authorised Participant Agreement	An agreement between the Responsible Entity and an Authorised Participant in relation to Unit applications and redemptions.
CHESS	The Clearing House Electronic Sub-Register System or any system that replaces it.
Constitution	The constitution governing the Fund, as amended or replaced from time to time.

Corporations Act	Corporations Act 2001 (Cth).
Creation Unit	A particular number of Units of the Fund, as determined by the Responsible Entity from time to time and notified to Authorised Participants.
Dealing Deadline	For a cash application/redemption, 1:00 pm, Sydney time on each ASX Business Day (or such other time advised by the Responsible Entity to Authorised Participants), being the time by which an Application/Redemption Form must be received by the Responsible Entity to be processed for that ASX Business Day.
ETF	Exchange Traded Fund.
Fund	Betashares Australian Credit Income Active ETF.
iNAV	Indicative Net Asset Value per Unit.
Investment Manager	Coolabah Capital Institutional Investments Pty Ltd, which has been engaged to provide specialist investment management services in connection with the Fund under an institutional mandate.
Issue Price	The Net Asset Value divided by the number of Units on issue in the Fund.
MPI	Material portfolio information.
Net Asset Value or NAV	The net asset value of the Fund calculated in accordance with section 5.4.